

## Our Approach

With a history of over two centuries, the Jerónimo Martins Group works to create value in a sustained manner, respecting the quality of life of the present and future generations and seeking to mitigate, as far as possible, the impact of its activities on the ecosystems.

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The Corporate Responsibility strategy is common across all the Group's Companies and comprises five pillars:



### Promoting Good Health through Food

Promoting good health through food is embodied in two action strategies:

- i. fostering the quality and diversity of the food products Companies sell;
- ii. ensuring food safety in its broader sense, including the availability, accessibility and sustainability of the products sold.



### Respecting the Environment

Aware of the impacts generated by its businesses, the Group aims to promote the efficient management of resources, linked to preserving the environment. Its actions are focused on three priority areas: climate change, biodiversity and waste management.



### Sourcing Responsibly

The Group's Companies are aware of the origins and production processes of the products they develop and acquire, seeking to incorporate ethical, social and environmental concerns in the decisions regarding their supply chains. The Group is committed to developing long-lasting commercial relationships, practising fair prices and actively supporting local production in the countries where it operates.



### Supporting Surrounding Communities

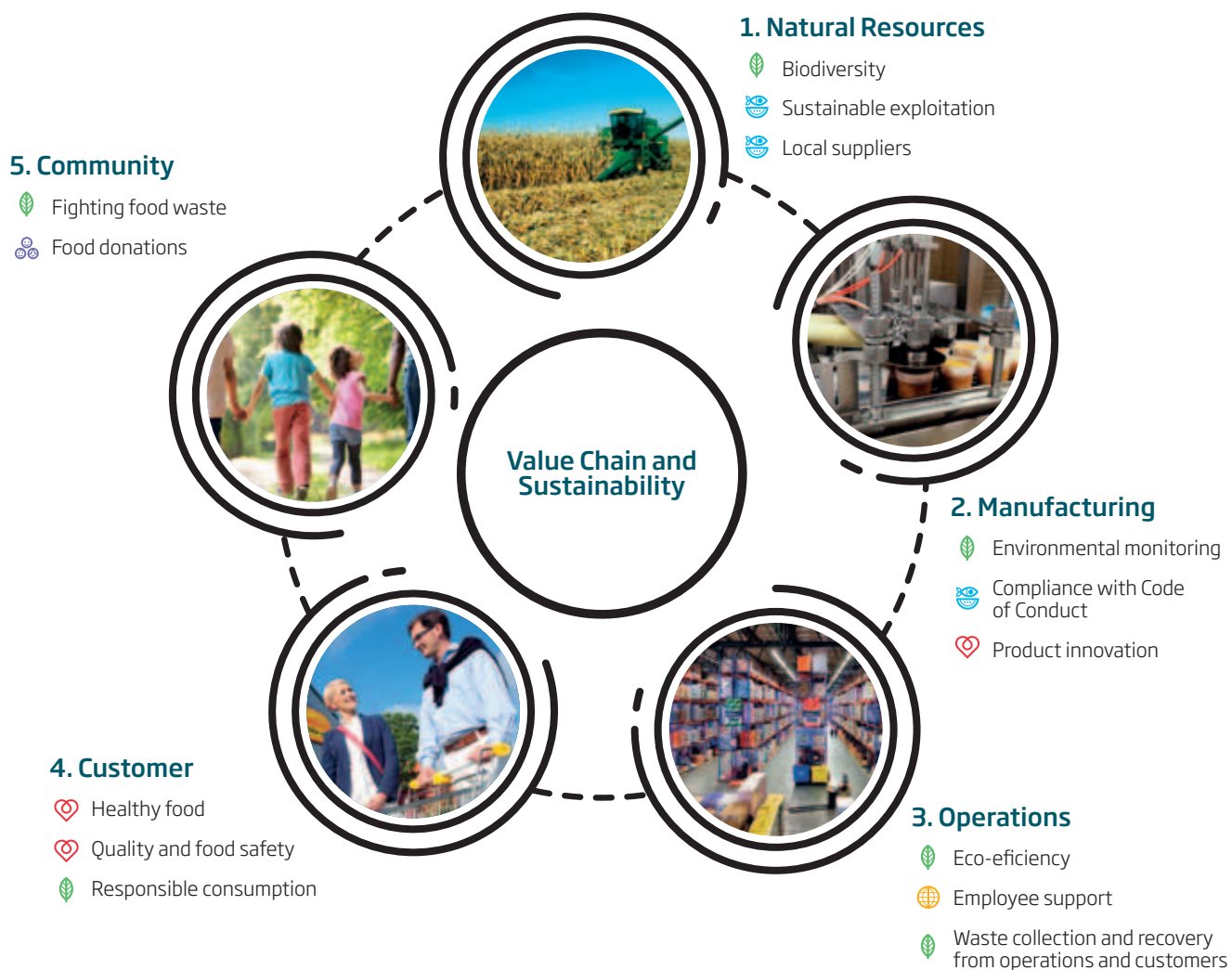
The Group is strongly committed to the communities in the countries where it operates, fostering social cohesion and endeavouring to contribute towards breaking cycles of poverty and malnutrition, by supporting projects and causes concerning the more fragile groups in society: children and young people, and underprivileged elderly people.



### Being a Benchmark Employer

By creating employment, the Group aims to stimulate social and economic development in the markets where it does business. To do so, it promotes balanced wage policies and a stimulating and positive work environment, in a firm commitment to its employees, who are also the target of social responsibility policies that are extended to their families.

## Business Model and Relation with Sustainable Development



### Jerónimo Martins Group included in the FTSE Russell Indices

The Group's approach and its performance within the scope of the Corporate Responsibility pillars has been followed by a wide set of stakeholders, including Environment, Social and Governance (ESG) analysts.

In 2016, the Jerónimo Martins Group was included - for the first time - in the FTSE Russell indices: FTSE4Good Global Index and FTSE4Good Europe Index. The FTSE4Good series was created with the objective of helping investors to incorporate ESG criteria in their investment decisions. The indices are designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

This inclusion is the result of recognition of the Group's commitments, actions and performance in the sustainability area and in the long-term development of its businesses.



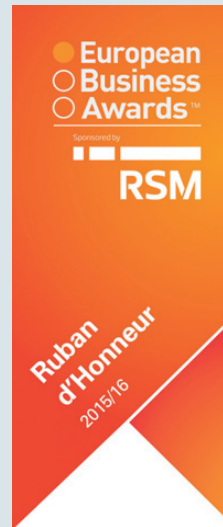
FTSE4Good

### Fighting food waste

This topic has been on the Group's agenda of concerns for several years, through the way it conducts its businesses for the efficient management of raw materials, throughout their value chains. There is a clear objective: to prevent waste production, using an approach incorporated in the five pillars of its Corporate Responsibility strategy:

- Promoting Good Health through Food, by supplying ready-made soups and salads, incorporating products that are not standardised for sale;
- Respecting the Environment, endeavouring to reduce the waste generated;
- Sourcing Responsibly, by purchasing non-graded food products, which previously had little or no economic value. This practice guaranteed the use of over 13,300 tonnes of products during the year;
- Supporting Surrounding Communities, by donating more than 10 thousand tonnes of food to social institutions reaching hundreds of people in need, thereby contributing towards the fight against hunger and malnutrition;
- Being a Benchmark Employer, by training employees to identify, select and separate safe food to be donated.

In 2016, the Group was recognised for its actions by the European Business Awards, having won the National Champion and Ruban d'Honneur awards in "The Award for Environmental & Corporate Sustainability" category. Within this context, the Ethical Corporation also awarded an honourable mention in the "Most Effective Domestic Community Investment" category.



### Stakeholder Engagement

For the Jerónimo Martins Group, stakeholder engagement plays an important part in defining and managing material environmental, social and economic aspects, as well as in formulating the communication strategy.

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